

THE LOAN USED IN DETERMINING THE RATE OF INTEREST IS THE FACE AMOUNT OF THE LOAN LESS THE FEE OR CHARGE.

REVISOR'S NOTE: This section presently appears as Art. 49, §2(b).

The word "charged" is substituted for the more ambiguous "assessed" since all interest is assessed at the inception of the loan, whether or not then charged. A reference to §§ 12-102 and 12-103 is added to clarify the applicability of this section to the rates permitted by the referenced sections; in this regard, see revisor's note to §12-102.

The words "at or before" are substituted for "at," for purposes of clarity.

The only other changes are in style.

12-108. POINTS PROHIBITED.

EXCEPT FOR A LOAN DESCRIBED IN §12-103(D) OR (E) OF THIS SUBTITLE, A LENDER MAY NOT CHARGE A BORROWER OR ANY OTHER PERSON ANY POINT OR FRACTION OF A POINT.

REVISOR'S NOTE: This section is new language derived without substantive change from Art. 49, §2(a). Its language is simplified by reliance on the definition of "point" in §12-101. In this regard, see revisor's note to §12-101(h).

12-109. INTEREST ON ESCROW ACCOUNTS.

(A) DEFINITIONS.

(1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "LENDING INSTITUTION" MEANS A BANK, SAVINGS BANK, OR SAVINGS AND LOAN ASSOCIATION[, OR BUILDING AND LOAN ASSOCIATION]] DOING BUSINESS IN MARYLAND.

(3) "ESCROW ACCOUNT" MEANS AN EXPENSE OR ESCROW ACCOUNT WHICH TENDS TO PROTECT THE SECURITY OF A LOAN BY THE ACCUMULATION OF FUNDS FOR THE PAYMENT OF TAXES, INSURANCE PREMIUMS, OR OTHER EXPENSES.

(B) INTEREST TO BE PAID ON ESCROW FUNDS.

(1) AFTER MAY 31, 1974, A LENDING INSTITUTION WHICH LENDS MONEY SECURED BY A FIRST MORTGAGE OR FIRST DEED OF TRUST ON ANY INTEREST IN RESIDENTIAL